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November 9, 2005

Hon. Braulio L. Baez
Hon. J. Terry Deason
Hon. Rudolph Bradley
Hon. Lisa Polak Edgar
Hon. Isilio Arriaga
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Fuel and purchased power cost recovery clause with generating performance
incentive factor; Docket No. 050001-EI

Dear Commissioners:

The Commercial Group, including BJ's Wholesale Club, Inc., Lowe's Home Centers, Inc., and Wal-Mart Stores East, L.P., are very concerned with the enormous fuel cost increases that are proposed in this docket. These fuel cost increases will harm all customers of these utilities, and the Commercial Group respectfully requests that the Commission do everything in its power to mitigate the harmful effect of these increases.

In particular, the Commercial Group supports the request of the Florida Industrial Power Users Group to direct Florida Power & Light Company, Progress Energy Florida, and Tampa Electric Company to adjust their fuel cost factors on March 1, 2006, if the actual fuel costs incurred in 2005 are less than the estimates that these companies filed in September, 2005. In the future, the Commission should consider implementing expanded Real-Time Pricing rate schedules for the utilities, which if properly constructed, would mitigate future extraordinary fuel rate increases. Finally, neither price stability nor the pursuit of a deregulated market should be pursued at the expense of the other. Customers' risk management strategies will vary depending on their internal risk tolerance. End use customers will vary from those willing to risk exposure to wholesale market price volatility and end users willing to pay a premium for price stability. Pursuit of either strategy should be accommodated in any pricing structure or both fairness and cost allocation among those parties properly incurring the cost will be jeopardized.

Thank you for your consideration.

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Respectfully,

Alan R. Jenkins
Attorneys for the Commercial Group

ARJ:trm

Cc: Service List (attached)

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